

Congress of the United States

House of Representatives

Washington, DC 20515

CLASS ACTION FAIRNESS ACT RESTORES STATES' RIGHTS!

Dear Colleague,

Critics of H.R. 1115 argue that it would undermine federalism principles by removing to federal court cases that should be decided by the state courts. These critics are wrong. The Class Action Fairness Act restores – rather than undermines – federalism principles.

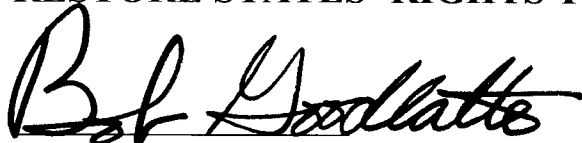
- **THE CLASS ACTION FAIRNESS ACT WILL HELP TO END THE PRACTICE OF STATE COURTS DICTATING THE SUBSTANTIVE LAWS OF *OTHER* STATES.**

A good example of the federalism problems inherent in the current system arises out of a nationwide insurance case in Illinois that resulted in a \$1.3 billion judgment against State Farm. At issue is whether State Farm's use of "aftermarket" parts in repairs (as opposed to parts made by the original manufacturer) is fraudulent. The Illinois court applied Illinois law to all fifty states even though state policy on the use of these parts differs sharply: Some states encourage or even *require* insurers to use aftermarket parts to reduce insurance costs. But the Illinois court held that original manufacturer parts must be used everywhere and approved a \$1.3 billion judgment, effectively deciding the question for the entire nation.

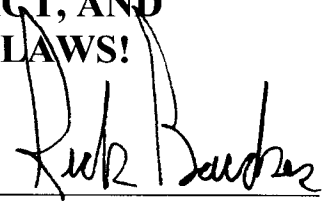
- **THE CLASS ACTION FAIRNESS ACT ENSURES THAT TRULY *INTRA-STATE* CASES REMAIN IN STATE COURT.** The bill specifically exempts from its provisions cases in which a substantial majority of the members of the plaintiff class and the primary defendants are from the State in which the action is filed and when the claims asserted in the case are governed by the laws of that State.

- **THE BILL'S UNIFORM *PROCEDURAL* REQUIREMENTS DO NOT IN ANY WAY UPSET STATE *SUBSTANTIVE* LAW.** If an interstate class action based on violations of state law is removed to federal court, the federal court will simply apply that state's law to resolve the case—just as federal courts do today in all federal diversity jurisdiction cases.

**SUPPORT H.R. 1115, THE CLASS ACTION FAIRNESS ACT, AND
RESTORE STATES' RIGHTS TO DECIDE THEIR OWN LAWS!**



Bob Goodlatte
Member of Congress



Rick Boucher
Member of Congress